



AzHHA '07 Report

# A Struggling Powerhouse

## Hospitals bolster the state's economic well-being yet grapple with population growth

**A** report released by the Arizona Hospital and Healthcare Association in January 2007 addresses the economic impact of Arizona's hospitals, which has captured the attention of large employer groups like Sundt Construction and UniSource, statewide chambers of commerce and lawmakers.

The report makes several findings and points to one undeniable, fundamental problem: population growth in Arizona has outraced our ability to provide adequate healthcare services. The rate of population proliferation here is higher than any other state, and both hospital construction and the peoplepower required to run them aren't keeping stride.

AzHHA's report shows that hospitals throughout the state are responsible for boosting Arizona's economy by adding thousands of jobs to the market. Direct impact of Arizona's hospitals on the economy is about the same as if the state hosted the Super Bowl 28 times every year. These facilities are among Arizona's largest employers, exceeding aerospace and electronics industries. Hospitals directly effect the economy through the jobs they provide and wages they pay to employees. More than 192,000 jobs in Arizona are created either directly or indirectly, and these institutions intend to spend \$3.3 billion on new construction by 2011.

But despite its economic dominance, hospital growth isn't fast enough. It's a problem caused by two factors, according to John Rivers, presi-

dent and CEO of AzHHA: a population growing faster than our healthcare system and, unfortunately, only a recent effort to increase the number of allied health professionals.

Over the last five years, the state's universities and community colleges have teamed with hospitals to double nursing program enrollment, says Rivers. "We need to grow these programs even more," he says. "Despite the increase, we still have waiting lists for [all] our nursing programs." Simply, there aren't enough faculty members to take on more students.

This bottlenecking doesn't mean adequate manpower. "We don't have enough nurses today to staff the beds we have," says Sally Jeffcoat, AzHHA chair-elect and president/CEO of Carondelet Health Network. "We have significant vacancies being filled with nurses from out of state. You want your own residents working in your hospitals."

Lindsay Perez applied to the University of Arizona three years ago and was rejected. Her Bachelor of Science in psychology and chemistry, undergraduate GPA of 3.88 and bilingual fluency wasn't enough to bump her

## Hot Topic The economic impact of Arizona's uninsured

"Arizona's hospitals face a great challenge as they recruit physicians. Arizona has a high percentage of people without health insurance, which can be discouraging to physicians who consider relocating here to establish medical practices," says CEO/President of Carondelet Health Network Sally Jeffcoat. "Many uninsured Arizonans are considered to be part of the working poor. Because of economic pressures and rising healthcare costs, we have individuals who are employed, but their employers don't provide health insurance. We see a trend of employers dropping health insurance or increasing individual responsibility for pay."

## Arizona's Hospital Stats & Rankings

Information taken from AzHHA's economic impact report or provided by Sally Jeffcoat, AzHHA chair-elect and president/CEO of Carondelet Health Network.

- ◆ There are a total of 119 hospitals among 13 counties.
- ◆ Hospitals directly employ more than 73,000 workers and account for an additional 37,400 Arizona jobs generated from purchases like medical supplies.
- ◆ Arizona hospitals contribute a total of \$11.5 million to our gross state product.
- ◆ Hospital construction planned over the next five years is large enough to generate a total of 14,900 jobs, employee compensation of \$2.6 billion and a gross state product of \$4.1 billion.
- ◆ Arizona hospital capacity, in terms of number of beds, is expected to grow by 20 percent by 2011.
- ◆ The national average for number of beds per thousand people is 2.7. Arizona's average is 2.0, earning it a ranking of 45th in the nation.
- ◆ According to the U.S. Census Bureau, Arizona has one million uninsured people, the 12th highest rate in the nation.

from waiting list to class roster.

"I studied Spanish specifically so I could use it in the medical field," says Perez. "My whole plan was to go to UofA, stay in Arizona and work in a hospital there because I loved the area. I thought I'd be an asset to that school."

Instead, Perez is finishing her nursing degree at Gonzaga University in Spokane, Wash., where she holds the highest GPA of her graduating class and has been selected by faculty to serve as a student representative in a leadership position. Upon graduation, she plans to practice nursing in Eastern Washington where she's made professional connections.

There are many others, like Perez, who are talented, motivated and denied admission. If Arizona's nursing programs continue to turn away top-tier students, losing them to other states, then the insufficient rate of healthcare construction certainly isn't the only obstacle to Arizona providing its residents excellent care.

Students who are educated in Arizona tend to stay here, and healthcare professionals are "imported" in bulk, says Rivers. Based on the

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report, solvency is threefold: attract and retain healthcare professionals and build larger infrastructure for training or higher education.

AzHHA's economic impact report aims to educate the general public about hospitals' effect on the economy and community welfare. Just a couple months after its release, it was presented to an influential mix of public audiences in Flagstaff, Phoenix and Tucson: business leaders, key players in economic development projects, hospital board members, elected officials and media representatives.

"The reason people want to move to Arizona is to maximize their health and well-being," says Jeffcoat. "For us to continue our quality of life here, we have to invest in our healthcare system."

"This is not just a healthcare problem, it's a community problem. Hospitals exist to benefit their communities and [they] should be [seen for their] social and humanitarian importance," says Rivers. "We all need healthcare services, from birth to death. We need to work collaboratively and thankfully, I think that's what we're doing." **AB**

• [www.azhha.org](http://www.azhha.org)  
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